



January 26, 2005

The Honorable J. Dennis Hastert  
Speaker  
U.S. House of Representatives  
Washington, D.C. 20515

Dear Mr. Speaker:

We, the undersigned companies and associations, are writing to urge Congress' early implementation of the U.S.-Central America-Dominican Republic Free Trade Agreement (CAFTA-DR) with Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras and Nicaragua. As members of the Business Coalition for U.S.-Central America Trade – a broad-based and cross-sectoral group of American companies, farm groups, and trade associations representing the principal sectors of the U.S. economy -- we look forward to working closely with the Administration and all Members of Congress to support the successful implementation of the CAFTA-DR, which is critical to the development of a full and reciprocal relationship with our Central American and Dominican Republic neighbors. Toward this end, we strongly support current Administration efforts to ensure that Guatemala comes back into compliance with obligations under CAFTA-DR as quickly as possible so that Congressional consideration of the agreement is not delayed.

Timely implementation of the CAFTA-DR is important for several reasons. First, is its commercial importance. While small geographically, these six countries already represent the United States' 13<sup>th</sup> largest export market worldwide, and second largest U.S. market in Latin America. Over the last five years, the CAFTA-DR countries have been our fifth largest growth market worldwide.

Second, the CAFTA-DR will make our relationship reciprocal, creating new opportunities for all sectors of the U.S. economy. For two decades, the United States, with overwhelming bipartisan Congressional support, has unilaterally opened its markets to most goods from Central America and the Dominican Republic, as part of its broader Caribbean Basin and development initiatives. As a result, approximately 80 percent of *Central American and Dominican Republic exports* already enter the United States duty-free. Upon implementation of the CAFTA-DR, 80 percent of *U.S. consumer and industrial exports* to Central America and the Dominican Republic will be eligible to enter duty-free, as will over 50 percent of U.S. agricultural exports. Remaining tariffs and non-tariff barriers will also be eliminated, leveling the playing field for U.S. farmers, companies and their workers. The countries also reached agreement on strong provisions on transparency, anti-corruption, intellectual property, investment, government procurement, labor, the environment and other rules that are critical to ensure market access and generate new opportunities for the United States.

Third, this agreement is about much more than trade and investment. Through strong rules, dispute settlement, capacity building and the economic opportunities it will promote, this agreement can help strengthen democracy and the rule of law in a region that was wracked by civil war not that long ago. This

is important for all Americans, but particularly the 2 million who have emigrated from these countries and still have family members living there.

The CAFTA-DR cannot and should not be expected to cure all problems, but it can be a force for positive change by generating new economic opportunities, new investment and new hope for the region. The alternative – not implementing or delaying approval of a comprehensive and commercially meaningful FTA – will signal that the status quo is acceptable, helping to perpetuate poverty in much of a region where millions live on less than \$2 a day.

Fourth, timely implementation of the CAFTA-DR is particularly critical to maintain and foster key partnerships in the textile and apparel sector. The CAFTA-DR countries are the United States' largest market for U.S. apparel and yarn exports, and the second largest market for U.S. fabric exports. CAFTA-DR is critical to sustain and expand existing partnerships and to give U.S.-CAFTA-DR goods a competitive edge, particularly with the elimination of global quotas and increased competition from Asia, and to help support approximately 400,000 jobs in Central America and the Dominican Republic and 700,000 workers in the U.S. cotton, yarn, textile, and apparel sectors.

Finally, Congressional implementation of the comprehensive and commercially meaningful CAFTA-DR will also send a strong message to all of the United States' trading partners that the United States remains committed to trade and investment liberalization at an important juncture in the WTO negotiations.

We look forward to working with you in support of Congress' approval of the CAFTA-DR.

Respectfully,

Aalfs Manufacturing, Inc.

AeA

Alticor Inc.

Altria Group, Inc.

American Apparel & Footwear Association

American Bakers Association

American Council of Life Insurers

American Farm Bureau Federation

American Forest & Paper Association

American International Group

American Meat Institute

American Soybean Association

American Textile Co.

Ann Taylor

Asheboro Elastics Corp.

Association of American Chambers of Commerce in Latin America (AACCLA)

Association for Competitive Technology

Association of Equipment Manufacturers

Bernard Chaus

The Boeing Company

Burlington Apparel Group

Burlington House Fabrics

Business Roundtable

California Chamber of Commerce

California Council for International Trade

California Table Grape Commission  
Cange International, Inc.  
Caribbean Central American Action  
Cargill, Incorporated  
Caterpillar  
CHEP  
Cinemark International  
Cisco Systems, Inc.  
Citigroup Inc.  
Coalition for Employment Through Exports  
Coalition of Service Industries  
Coldwater Creek Inc.  
Cone Denim  
Council of the Americas  
Diageo North America  
Distilled Spirits Council of the United States  
Diversified Trade Company, LLC  
Eastman Kodak Company  
Eaton Electrical  
EDS  
Emergency Committee for American Trade  
Emerson  
ERICO, Inc.  
Exxon Mobil Corporation  
The Fertilizer Institute  
Footwear Distributors and Retailers of America  
G&W Electric Company  
Gap Inc.  
Greater Dallas Chamber  
Greater Houston Partnership  
Greater New Orleans, Inc.  
Grocery Manufacturers of America  
Harodite Industries, Inc.  
Hewlett-Packard Company  
Homac Mfg. Company  
Hypertherm, Inc.  
IBM  
Information Technology Association of America  
Information Technology Industry Council  
Intel Corporation  
International Dairy Foods Association  
International Freight Forwarders & Customs Brokers Association of New Orleans  
International Textile Group  
JC Penney Company, Inc.  
Jockey International, Inc.  
Kellwood Company  
Lake Charles Harbor and Terminal District  
Leading Lady Companies  
Levi Strauss & Co.  
Liz Claiborne Inc.  
Louisiana Association of Business and Industry  
Louisiana Hispanic Chamber

Louisiana Maritime International Chamber of Commerce  
Louisiana Motor Transportation Association  
LV Imports, LLC  
Madison County International Trade Development Center  
Mars Incorporated  
Maersk Sealand  
The McGraw-Hill Companies, Inc.  
Microsoft  
Mississippi Valley Trade and Transport Council  
Motion Picture Association of America  
Motorola  
NACC-Miami  
National Association of Manufacturers  
National Association of Theatre Owners  
National Association of Wheat Growers  
National Cattlemen's Beef Association  
National Chicken Council  
National Confectioners Association  
National Customs Brokers & Forwarders Association of America  
National Electrical Manufacturers Association  
National Foreign Trade Council  
National Pork Producers Council  
National Retail Federation  
National Turkey Federation  
New Orleans Board of Trade  
Nike  
North Alabama International Trade Association  
Oracle  
Oshkosh B'Gosh Inc.  
Pass & Seymour/Legrand  
PepsiCo  
Perry Ellis International  
Plaquemines Port, Harbor and Terminal District  
Port of Greater Baton Rouge  
Port of New Orleans  
Port of South Louisiana  
The Procter & Gamble Company  
Reed Manufacturing Company  
Retail Industry Leaders Association  
Rocky Boots and Shoes  
Roka Apparel  
Riviana Foods Inc.  
Russell Corporation  
Sara Lee Branded Apparel  
S&C Electric Company  
Seaboard Marine, Ltd.  
Sears, Roebuck and Co.  
Software & Information Industry Association  
Southern Forest Products Association  
Southern U.S. Trade Association  
Steamship Association of Louisiana  
Sweetener Users Association

Target Corporation  
TechNet  
Telecommunications Industry Association  
Time Warner  
Toy Industry Association  
The Trade Capacity Building Institute-New Orleans  
Travel Goods Association  
Texas Instruments  
Unisys Corporation  
United States Chamber of Commerce  
USA Poultry and Egg Export Council  
USA Rice Federation  
U.S. Council for International Business  
U.S. Hide, Skin and Leather Association  
Union Apparel  
United States Association of Importers of Textiles and Apparel  
Wal-Mart Stores, Inc.  
Warnaco Inc.  
The Washington Center  
Wheat Export Trade Education Committee  
World Trade Club of Greater New Orleans  
Xerox Corporation

cc: The Honorable Tom Delay  
The Honorable Roy Blunt  
The Honorable Deborah Pryce  
The Honorable Eric Cantor  
The Honorable Jack Kingston  
The Honorable John Doolittle  
The Honorable John Shadegg  
The Honorable David Dreier  
The Honorable Thomas Reynolds  
The Honorable Rob Portman  
The Honorable Bill Thomas  
The Honorable Clay Shaw